



January 18, 2012

Patrick W. Hayes
Director
Legal Department

United States Environmental Protection Agency
Region V
77 West Jackson Street
Chicago Illinois 60604-3590
Attn: Tim Drexler SR-6J

Re: Southeast Rockford Groundwater Superfund Site

Dear Mr. Drexler:

As requested, this letter is being furnished to provide financial assurance of the City of Rockford's ability to complete its required work under the Consent Decree for Southeast Rockford, executed by the Court on April 8, 1998. It is our understanding that you have agreed that financial assurance in the amount of \$100,000 is sufficient in light of the ongoing monitoring being done at the Site.

This financial assurance is given under Paragraph 41(d) of the Consent Decree. We hereby certify that City of Rockford's last available independently audited financial statements for the year 2010 (the City has a calendar fiscal year) demonstrates:

- A. The total revenues of the City-owned Waterworks System exceed total operation and maintenance costs plus the maximum annual debt service under any and all outstanding revenue bonds and bonds issued at market rates sufficient to pay the estimated cost of the remaining work to be performed under this consent decree by 125%.
- B. The City has received a bond rating of A or better from Moody's within 18 months of the date of this letter.
- C. The City has not exceeded 80% of its statutory debt limit established pursuant to 65 ILCS 5/8-5-1.

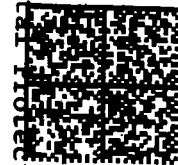
We believe we are now in full compliance with Paragraph 41. Please let us know immediately if you disagree or need further information.

Sincerely,

Patrick W. Hayes, Legal Director
City of Rockford

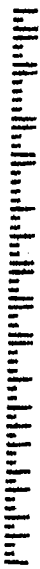


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